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Proposed programme budget for the biennium 2010-2011

Section 13, International Trade Centre UNCTAD/WTO

Eleventh report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2010-2011

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the proposed programme budget of the International Trade Centre UNCTAD/WTO (ITC) for the biennium 2010-2011 (A/64/6 (Sect. 13)/Add.1). During its consideration of the report, the Committee met with the Executive Director of ITC and with other representatives of ITC and of the Secretary-General.

2. Pursuant to the arrangements set out in General Assembly resolution 59/276, a simplified budget fascicle was submitted in document A/64/6 (Sect. 13) with a preliminary estimate to accommodate the programme of activities of ITC for the biennium 2010-2011. In its first report on the proposed programme budget for the biennium 2010-2011,[1] the Advisory Committee recommended that, without prejudice to its consideration of the detailed proposed programme budget for ITC for the biennium 2010-2011, the General Assembly take note of the resources proposed in the preliminary budget estimate, including the requests for 19 new posts (1 D-1, 5 P-5, 8 P-4, 2 P-3 and 3 P-2) and the abolition of two General Service (Other level) posts. The Advisory Committee notes that, following an internal assessment, the number of new posts requested for ITC for the biennium 2010-2011 has decreased from 19 to 12. Upon enquiry, the Committee was informed that the 12 posts requested in the detailed budget submission were technically specific and geared towards the areas of greatest priority.

3. Information on the estimated resource requirements and projected income of ITC for the biennium 2010-2011 is provided in table 13.4 of the budget document (A/64/6 (Sect. 13)/Add.1). The budget is to be funded equally by the United Nations, acting through the United Nations Conference on Trade and Development

[1] *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 7* (A/64/7), chap. II, para. IV.59.

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(UNCTAD), and the World Trade Organization (WTO), the two parent organizations of ITC. The Advisory Committee notes from the table that the requirements for the biennium are estimated at SwF 72,089,000 before recosting, representing a net increase of SwF 3,949,400, or 5.8 per cent, compared with the appropriation for 2008-2009. The increase is related primarily to the establishment of 12 additional posts (see para. 7 below), partially offset by the proposed abolition of two General Service (Other level) posts. Miscellaneous income for the biennium 2010-2011 is projected at SwF 700,000, the same level as for the current biennium. As indicated in paragraph 13.23 of the budget document, the contribution of each parent organization for the biennium 2010-2011 is estimated at SwF 37,557,600, after recosting, or $31,298,000 at an exchange rate of SwF 1.20 to US$ 1.00.

4. In paragraph 13.26 of the budget document, the Secretary-General indicates that extrabudgetary resources estimated at approximately US$ 75,500,000, equivalent to SwF 90,600,000, will be available during the biennium 2010-2011, representing an increase of approximately 11.6 per cent per year of the total extrabudgetary resources available to ITC over the biennium 2008-2009. Upon enquiry, the Advisory Committee was informed that extrabudgetary resources were used for technical assistance delivery and programme development and design when other sources of funding were unavailable. Regular budget resources, on the other hand, supported the development and implementation of the Centre's core competencies and business lines, programme design and product/service development, programme management, supervision and monitoring and also enabled ITC to provide global public goods to all stakeholders. Regular budget resources were also used to fund posts connected with the administrative and physical infrastructure and internal management of ITC, including oversight, monitoring and evaluation and audit. The Committee was further informed that, in order to meet pressing country demands, a portion of the Centre's extrabudgetary resources had been redeployed to cover key core competencies.

5. The Advisory Committee recalls that, during the biennium 2008-2009, following the findings of a comprehensive external evaluation and on the basis of recommendations from the Office of Internal Oversight Services, ITC initiated a change management process (see A/62/7/Add.10, para. 8). Upon enquiry, the Advisory Committee was informed that that process had now been completed. In paragraph 13.9 of the budget document, the Secretary-General indicates that, as a result of the change management process, ITC has refocused its activities around the following five core business lines: (i) export strategy; (ii) business and trade policy; (iii) strengthening of trade support institutions; (iv) trade intelligence; and (v) exporter competitiveness. The Secretary-General further indicates, in paragraph 13.10, that the new business lines have been used to restructure the Centre in order to align its structure with delivery requirements. Upon enquiry, the Advisory Committee was provided with a detailed chart illustrating the Centre's organizational structure and post distribution for the biennium 2010-2011 (see annex). **The Advisory Committee notes the outcome of the change management process and expects that the Secretary-General will continue to report on the results achieved in the context of future budget submissions.**

6. The Advisory Committee further recalls that a major part of the change management process was the implementation of results-based management (see A/62/7/Add.10, para. 8). During its consideration of the proposed programme budget for the biennium 2008-2009, the Committee was informed that the Centre's

move to results-based management and results-based budgeting was a work in progress and that ITC intended to achieve significant improvement in that regard in the presentation of the next biennial budget (see A/62/7/Add.10, para. 8). **While noting that the Centre has made some effort to improve the presentation of its budget document, the Advisory Committee believes that more remains to be done. In particular, future submissions should provide additional information on the results achieved during the preceding biennium and should focus in greater depth on the quantification of outputs and on the definition of clear and meaningful indicators of achievement. As it moves forward with the implementation of results-based management and results-based budgeting, ITC should continue to draw on the experience of and lessons learned by other organizations of the United Nations system.**

7. The proposed post requirements for the biennium 2010-2011 are described in paragraphs 13.17 to 13.21 and tables 13.2 and 13.5 of the budget document. The Advisory Committee's observations and recommendations on the proposals contained in paragraphs 13.19 and 13.20 concerning the establishment of 12 new posts (1 D-1, 3 P-5, 4 P-4, 1 P-3 and 3 P-2) and the abolition of two General Service (Other level) posts are set out in paragraphs 8 to 16 below.

8. The Secretary-General is proposing the establishment of a D-1 post for a Director of the Division of Policy and Programme, responsible for providing in-depth direction and management of the Division's work programme and staff and for ensuring close cooperation with partner countries in the formulation of needs-driven trade-related technical assistance programmes. Upon enquiry, the Advisory Committee was informed that leadership at the D-1 level was essential to ensure that the methodologies and approaches developed by ITC could be efficiently customized to suit specific programme needs. The Committee was further informed that a review of the Centre's organizational structure during the preparation of the proposed programme budget for 2010-2011 had revealed that, in view of the current duties and responsibilities of existing P-5 posts, all of which were currently encumbered, it would not be possible to create the additional D-1 post requested through upward reclassification. **In view of the foregoing, the Advisory Committee recommends acceptance of the proposal to establish a D-1 post for a Director of the Division of Policy and Programme.**

9. The Secretary-General is proposing the establishment of the following three posts at the P-5 level:

(a) A Senior Coordinator for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in the Office of the Director of the Division of Policy and Programme, responsible for acting as the focal point for the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries initiative and for ensuring the coherence of the Centre's work in least developed countries, landlocked developing countries and small island developing States. In this connection, the Advisory Committee notes that: (a) the Centre's strategic plan for 2009-2012 emphasizes that at least 50 per cent of its technical assistance will be directed to that group of countries; and (b) the Joint Advisory Group report of December 2008 recommended that ITC continue to prioritize its work in favour of those countries;

(b) A trade facilitation specialist in the Business Environment Section of the Division of Business and Institutional Support to develop specific trade facilitation

tools and services with emphasis on trade finance, targeting exporting small and medium-sized enterprises in developing and transition economies; articulate innovative strategies and design new technical assistance proposals in the area of export/trade facilitation and trade finance; and initiate and implement project/programme technical assistance and capacity-building activities related to trade facilitation and trade finance;

(c) A Senior Market Analyst in the Division of Market Development, responsible for spearheading the generation and further development of ITC's market access analysis tools, including expanding work on services and non-tariff measures; developing web-based tools as well as related value added services in close cooperation with other international organizations; and leading a team of analysts in further developing other trade intelligence tools of critical importance to both businesses and trade negotiators.

10. **The Advisory Committee recommends acceptance of the proposals set out in the preceding paragraph, with the exception of the proposal to establish a P-5 post for a trade facilitation specialist in the Business Environment Section. The Committee is of the view that, since the functions of the post are not new, they should be accommodated from within existing capacity.**

11. The Secretary-General is proposing the establishment of the following four posts at the P-4 level:

(a) An Export Strategy Officer in the newly established Section on Export Strategy of the Division of Policy and Programme, with responsibility for responding to National Export Strategy requests and for assisting with the development of the Strategy methodology. The overall goal of the proposed post is to reinforce the Centre's innovative capacities in the area of export strategy development and export competitiveness;

(b) A Trade-in-Services Officer in the Sector Competitiveness Section of the Division of Market Development, to provide ITC with technical and managerial expertise in the field of trade in services. The incumbent of the proposed post would be responsible for developing and implementing technical assistance programmes, as well as for providing expert knowledge to the Centre and beneficiaries in the field on services export development;

(c) A post in the Office for Latin America and the Caribbean for a regional office in Mexico City. The incumbent of the proposed post would be responsible for establishing contacts and elaborating country knowledge covering Latin America and the Caribbean; supporting the development and implementation of ITC activities in the region; developing project proposals based on clients' needs and fund-raising opportunities; and continuing to build relationships with field-based donor representatives. Upon enquiry, the Advisory Committee was informed that the regional office in Mexico City would be the Centre's only regional office located away from Geneva;

(d) A Senior Programme Officer in the Trade Institutions Strengthening Section of the Division of Business and Institutional Support to assist in the development of a comprehensive benchmarking scheme, based on global best practices, to objectively determine the capacity development of trade promotion organizations and other trade support institutions. The incumbent of the proposed post would be responsible for convening and servicing the group of experts;

advising on the design of the scheme; devising the detailed methodology; and applying the scheme in a series of pilot countries.

12. **The Advisory Committee recommends acceptance of the proposals set out in the preceding paragraph, with the exception of the proposal to establish a P-4 post for a Senior Programme Officer in the Trade Institutions Strengthening Section. In the Committee's view, there may not be a continuing need for the functions of the post once the benchmarking scheme is established. It should therefore be funded through general temporary assistance.**

13. The Secretary-General is also proposing the establishment of a post at the P-3 level for an e-learning coordinator in the Trade Information Services Section of the Division of Market Development. In order to maximize outreach and meet the growing demand for capacity-building and training, ITC has increased its use of distance learning as a capacity-building delivery mechanism. The incumbent of the proposed post will therefore be responsible for managing e-learning systems in order to allow ITC clients access to its training activities. The proposed post will allow ITC to refine existing approaches so that a greater number of training activities can be offered through an e-learning platform, which will also be a valuable contribution to the Centre's efforts to become a "greener" organization. **The Advisory Committee recommends against acceptance of the Secretary-General's proposal as it is of the view that the functions of the post are not new and should therefore be accommodated from within existing capacity.**

14. The Secretary-General is proposing the establishment of the following three posts at the P-2 level:

(a) An Associate Programme Officer in the Trade Institutions Strengthening Section of the Division of Business and Institutional Support, responsible for assisting in the implementation of the comprehensive benchmarking scheme for trade support institutions (see para. 11 (d) above) and for organizing conferences of the World Trade Promotion Organization;

(b) An Associate Graphic Designer in the Communications and Events Section of the Office of the Executive Director, responsible for working closely with the communications team and ITC staff to understand the design requirements of the Centre; developing new design concepts and templates within the existing brand guidelines and communications policies; and creating marketing materials to reinforce the "One Voice, One Look, One ITC" identity vision;

(c) An Associate Programme Officer in the Office of the Director of the Division of Business and Institutional Support. The incumbent of the proposed post will be responsible for coordinating, in close collaboration with the Director of the Division, the monitoring, analysis and reporting of the Division's activities and achievements in accordance with key results-based management principles, as well as for ensuring compliance with monitoring, reporting and evaluation requirements; maximizing the visibility of the Division's activities and achievements; carrying out financial planning and reporting resource use; conducting analysis and research; and establishing effective interaction with Chiefs of Section and other concerned parties both internally and externally.

15. **The Advisory Committee recommends acceptance of the proposals set out in the preceding paragraph, with the exception of the proposal to establish a P-2 level post for an Associate Graphic Designer. The Committee takes the view**

that the functions of the post are likely to be short term in nature and therefore recommends that it be funded through general temporary assistance.

16. The Secretary-General is also proposing to abolish two General Service (Other level) posts, the first in the Communications and Events Section and the second in the Office of the Director of the Division of Business and Institutional Support. **The Advisory Committee recommends acceptance of the Secretary-General's proposal.**

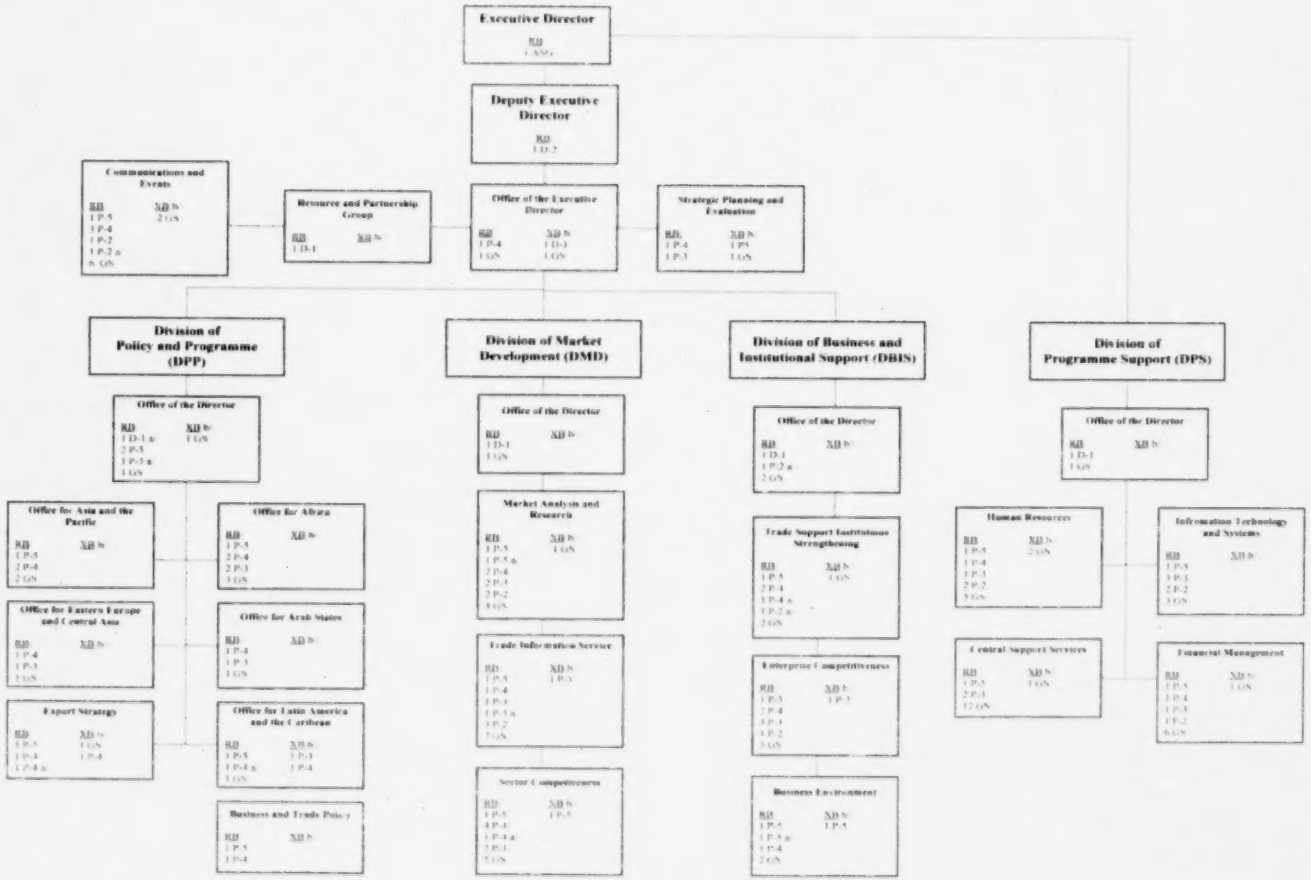
17. The requirements for non-post resources for the biennium 2010-2011 are estimated at SwF 16,042,100, before recosting, an increase of SwF 154,700, or 1 per cent, over the 2008-2009 appropriation. As indicated in paragraph 13.22 of the budget document, the increase in requirements for other staff costs, rental of premises and furniture and equipment related to the proposed new posts, as well as in requirements for videoconference equipment, would be offset by reduced requirements for office equipment. **The Advisory Committee recommends acceptance of the Secretary-General's proposal for non-post resources, bearing in mind that the estimates will have to be adjusted in the light of the recommendations set out in paragraphs 8 to 16 above.**

18. During its consideration of the proposed budget for ITC, the Advisory Committee enquired as to the mechanisms in place to ensure effective coordination between the Centre and its two parent organizations, UNCTAD and WTO. In response, the Committee was informed that ITC had established close working relationships with UNCTAD and WTO at both the strategic and operational levels. The executive heads of the three organizations met on a regular basis to coordinate activities and, in addition, working relationships had been established between relevant technical divisions. More specifically, the Committee was informed that ITC and UNCTAD were collaborating on technical delivery in the following key areas: trade information transparency; trade and environment; business and trade policy; and export strategy. Within the framework of Aid for Trade, ITC and WTO were working together on a number of initiatives, including the accession of least developed countries to WTO; trade facilitation; trade finance; non-tariff measures; standards and trade development facility; and reporting and governance. **The Advisory Committee welcomes this coordinated approach and trusts that it will be pursued and further strengthened.**

19. **The Advisory Committee recommends that the General Assembly approve the proposals under section 13, International Trade Centre UNCTAD/WTO, of the proposed programme budget for the biennium 2010-2011 subject to the recommendations contained in paragraphs 8, 10, 12, 13, 15, 16 and 17 above.**

Annex

International Trade Centre UNCTAD/WTO
Organizational structure and post distribution for the biennium 2010-2011



Abbreviations: RB, regular budget; XB, extrabudgetary; ASG, Assistant Secretary-General; GS, General Service.

[a] New post.

[b] Funded by programme support costs.